

January 16, 2015

The Honorable Jocelyn D. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive (Saluda Building)
Columbia, South Carolina 29210

Re: Sale of 100% of the Stock of SCANA Communications, Inc.

Dear Jocelyn:

Willoughby & Hoefler, P.A. represents SCANA Communications, Inc. (SCI) and McNair Law Firm, P.A. represents SCTG Communications, Inc. (SCTG). We are writing jointly to advise the Commission regarding the planned sale of 100% of the issued and outstanding capital stock of SCI from SCANA Corporation (SCANA) to SCTG.

As you are aware, SCI holds a Certificate of Public Convenience and Necessity to provide competitive intrastate local exchange and exchange access services within the State of South Carolina. Currently, SCANA directly owns 100% of the issued and outstanding capital stock of SCI. The planned transaction involves a sale of all of the stock of SCI from SCANA to SCTG, which is a wholly-owned subsidiary corporation of SCTG, LLC, a South Carolina Limited Liability Company doing business as Spirit Communications. Because the planned transaction involves a sale of the outstanding stock of SCI, there will be no transfer of SCI's assets to another entity and SCI will continue to hold its Certificate of Public Convenience and Necessity and operate its existing regulated business after the transaction. Most of SCI's employees will be offered jobs with Spirit, and SCANA is working diligently with the hope of finding opportunities for the remaining employees elsewhere in the SCANA organization. The closing for the planned transaction is expected to occur on or about February 20, 2015, but please be reminded that closing dates are always subject to change due to a variety of reasons.

(continued ...)

On December 16, 2014, SCANA and Spirit Communications each issued press releases publicly announcing the agreed upon transfer of SCI stock. For your information, the press release issued by Spirit Communications is attached as Exhibit A and the press release issued by SCANA is attached as Exhibit B.

We will advise the Commission once the closing has been consummated. If there are changes to be made in points of contact or other information normally filed with the Commission, then updates to that information will be made post-closing.

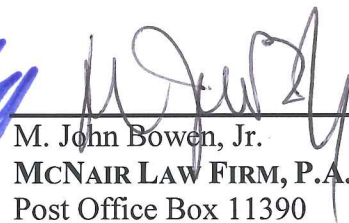
Because the planned sale of stock does not involve a transfer of SCI's property, powers, franchises, or privileges, *see* S.C. Code Ann. § 58-9-310, approval or consent by, or notification to, the Commission is not statutorily required. Nevertheless, the parties wanted to formally apprise the Commission of the planned transaction.

Should you have questions, please do not hesitate to contact either of us.

Sincerely,



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cc: C. Dukes Scott, Executive Director,
South Carolina Office of Regulatory Staff
Nanette S. Edwards, Deputy Executive Director,
South Carolina Office of Regulatory Staff

EXHIBIT A



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NEWS RELEASE – December 16, 2014

Spirit Communications to acquire South Carolina-based SCANA Communications, Inc.

COLUMBIA, S.C. (December 16, 2014 8:30 AM EST) – Spirit Communications announced today the acquisition of SCANA Communications, Inc. ("SCI"), including its interest in FRC, LLC, ("FRC") a fiber network joint venture between SCI and Spirit Communications.

SCI is the telecommunications subsidiary of SCANA Corporation (NYSE: SCG), a South Carolina-based energy company that has been doing business in the Southeast for 160 years. SCI's fiber network includes over 1,125 route miles of dense long haul and metro fiber, and extends across multiple markets in South Carolina, as well as in North Carolina. SCI's services include Metro Ethernet, long haul high bandwidth IP Transport and SONET-based transport capacity, and state-of-the art data center and co-location facilities. Spirit Communications is also acquiring SCI's cellular tower business, which includes the construction and management of cell towers for wireless carriers in the Carolinas and Tennessee.

Spirit Communications and SCI have partnered to provide communication services to Carrier, Enterprise and Government customers for almost 30 years. Today's announcement brings together two of South Carolina's most respected companies known for providing cutting edge communications to businesses across the Carolinas. "The acquisition of SCI and FRC supports our strategy to be fiber-based and improves the fundamentals of our business, both operationally and financially, and provides a unique platform to serve our customers. This acquisition makes Spirit the largest fiber-based CLEC in South Carolina" said Bob Keane, President and CEO of Spirit Communications. "We have enjoyed a long and successful partnership with SCANA over the years, and this acquisition enhances our extensive and unique network in the Carolinas. In addition to the outright purchase of SCI, the agreement between SCANA and Spirit Communications builds on the longstanding relationship we have both enjoyed for many years and increases our commitment to serve SCANA and all South Carolina businesses, government agencies, medical institutions and research universities", continued Mr. Keane.

Jefferies LLC served as the exclusive financial advisor to Spirit Communications.

About Spirit Communications

Headquartered in Columbia, South Carolina, Spirit Communications provides voice, data, Internet and fiber optic solutions, along with a full suite of Cloud services to commercial businesses and government agencies across the Southeast. The company's mission is to enable customers to transform their operations through fast, stable and secure offerings that flex with business demand. Ranked among the top 25 privately-held firms in South Carolina, Spirit Communications serves thousands of customers in over 150 service locations throughout South Carolina, North Carolina and Georgia. Spirit Communications is owned by eleven Independent Telephone Companies in South Carolina. For more information, visit www.spiritcom.com.

About SCANA Communications Inc.,

SCI, a carriers' carrier since 1985 owns, develops and operates long haul and metro fiber optics networks in South Carolina and North Carolina. SCI provides data transport services, bandwidth, tower site construction, management and rental services for wireless carriers, enterprise, government and communications service providers. For more information, visit www.scanacommunications.com

EXHIBIT B



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SCANA Announces Sale of Two Subsidiaries

Cayce, S.C., December 16, 2014... SCANA Corporation (NYSE: SCG) announced today that it has signed agreements for the sale of Carolina Gas Transmission Corporation (CGT) and SCANA Communications, Inc. (SCI) to Dominion Resources, Inc. (NYSE: D) and Spirit Communications (privately held by a group of independent telephone companies in South Carolina), respectively, in transactions valued at approximately \$650 million in total. CGT is SCANA's FERC-regulated open access, transportation-only interstate pipeline company whose system consists of approximately 1,500 miles of pipe measuring up to 24 inches in diameter operating in South Carolina and southeastern Georgia. SCI owns and operates a 1,125 mile fiber optic telecommunications network and Ethernet network and provides tower site construction, management and rental services in South Carolina, North Carolina and Tennessee. Both of these transactions, which are subject to customary closing conditions, are expected to close in the first quarter of 2015.

"In recent years, we have focused our efforts on the delivery of energy-related products and services through the core retail businesses of our company," said Kevin Marsh, SCANA's Chief Executive Officer. "While CGT and SCI have been very successful members of the SCANA portfolio, they are principally wholesale operations and comprise approximately 2% of our total assets. These transactions will further confirm our commitment to serving our retail customers."

Marsh added, "Once we decided to pursue divestiture, we made it central to our strategy to retain as many jobs as possible in the local market. We are very pleased that the employees of CGT will be retained by Dominion and most of SCI's will be offered jobs with Spirit. We also negotiated a three-year rate moratorium with Dominion so that CGT's transportation rates will not increase during this period."

"We are very pleased with these transactions, as the results will yield significant value for our existing shareholders," said Jimmy Addison, SCANA's Executive Vice President and Chief Financial Officer. "We expect aggregate proceeds, net of income taxes, to be in excess of \$400 million. Once the net proceeds have been deployed to displace previously planned equity issuances, the transactions will be accretive to earnings."

EXHIBIT B

As a result of these sales, the \$325 million in equity issuances which were expected to occur during 2015, including \$100 million from SCANA's dividend reinvestment plan and its employee 401(k) plan, will be eliminated from the Company's financing plan. It is also anticipated that the equity financing previously planned for 2016 will be eliminated. Following the closing of these transactions, SCANA's dividend reinvestment program and its employee 401(k) plan will fulfill their requirements for SCANA common stock with open market purchases. As the Company's future equity needs dictate, the dividend reinvestment program and 401(k) plan will return to their practice of purchasing original issuance SCANA common shares.

RBC Capital Markets LLC is serving as the exclusive financial advisor to SCANA on the sale of CGT and Stephens Inc. is serving as the exclusive financial advisor to SCANA on the sale of SCI.

PROFILE

SCANA Corporation, headquartered in Cayce, S.C., is an energy-based holding company principally engaged, through subsidiaries, in electric and natural gas utility operations and other energy-related businesses. The Company serves approximately 686,000 electric customers in South Carolina and approximately 1.3 million natural gas customers in South Carolina, North Carolina and Georgia. Information about SCANA and its businesses is available on the Company's website at www.scana.com.

SAFE HARBOR STATEMENT

Statements included in this press release which are not statements of historical fact are intended to be, and are hereby identified as, "forward-looking statements" for purposes of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, but are not limited to, statements concerning key earnings drivers, customer growth, environmental regulations and expenditures, leverage ratio, projections for pension fund contributions, financing activities, access to sources of capital, impacts of the adoption of new accounting rules and estimated construction and other expenditures. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "should," "expects," "forecasts," "plans," "anticipates," "believes," "estimates," "projects," "predicts," "potential" or "continue" or the negative of these terms or other similar terminology. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, and that actual results could differ materially from those indicated by such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited

EXHIBIT B

to, the following: (1) the information is of a preliminary nature and may be subject to further and/or continuing review and adjustment; (2) regulatory actions, particularly changes in rate regulation, regulations governing electric grid reliability and pipeline integrity, environmental regulations, and actions affecting the construction of new nuclear units; (3) current and future litigation; (4) changes in the economy, especially in areas served by subsidiaries of SCANA; (5) the impact of competition from other energy suppliers, including competition from alternate fuels in industrial markets; (6) the impact of conservation and demand side management efforts and/or technological advances on customer usage; (7) the loss of sales to distributed generation, such as solar photovoltaic systems; (8) growth opportunities for SCANA's regulated and diversified subsidiaries; (9) the results of short- and long-term financing efforts, including prospects for obtaining access to capital markets and other sources of liquidity; (10) the effects of weather, especially in areas where the generation and transmission facilities of SCANA and its subsidiaries (the Company) are located and in areas served by SCANA's subsidiaries; (11) changes in SCANA's or its subsidiaries' accounting rules and accounting policies; (12) payment and performance by counterparties and customers as contracted and when due; (13) the results of efforts to license, site, construct and finance facilities for electric generation and transmission; (14) maintaining creditworthy joint owners for SCE&G's new nuclear generation project; (15) the ability of suppliers, both domestic and international, to timely provide the labor, secure processes, components, parts, tools, equipment and other supplies needed, at agreed upon prices, for our construction program, operations and maintenance; (16) the results of efforts to ensure the physical and cyber security of key assets and processes; (17) the availability of fuels such as coal, natural gas and enriched uranium used to produce electricity; the availability of purchased power and natural gas for distribution; the level and volatility of future market prices for such fuels and purchased power; and the ability to recover the costs for such fuels and purchased power; (18) the availability of skilled and experienced human resources to properly manage, operate, and grow the Company's businesses; (19) labor disputes; (20) performance of SCANA's pension plan assets; (21) changes in taxes and tax credits, including production tax credits for the new nuclear units; (22) inflation or deflation; (23) compliance with regulations; (24) natural disasters and man-made mishaps that directly affect our operations or the regulations governing them; and (25) the other risks and uncertainties described from time to time in the periodic reports filed by SCANA or SCE&G with the United States Securities and Exchange Commission. The Company disclaims any obligation to update any forward-looking statements.